

SECRET*Wid*

TO : Mr. R. R. Rubottom, Jr.,
Assistant Secretary for Inter-American Affairs
Department of State

SUBJECT: Anti-trust Suit Against the United Fruit Company

Since receipt of your request of 18 November 1957 for an expression of this Agency's views as to the advisability of an anti-trust suit against the United Fruit Company during the period of current uneasiness in Central America, we have carefully weighed the political consequences of such a move. In the Guatemalan Presidential elections scheduled for 19 January 1958, there is a definite danger that an anti-United States leftist Communist coalition of the type supported by Moscow and overthrown in June 1954 may return to power unless all the political forces at our command are mobilized against it.

It is our opinion that an action at this time by the Department of Justice against the United Fruit Company could and almost certainly would be used as a potent propaganda weapon by the Communists to further their objectives.

It is, therefore, strongly recommended that no action be initiated against the United Fruit Company which could play directly into the hands of the USSR during this period of instability.

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C. P. Cabell
Lieutenant General, USAF
Deputy Director

cc: Mr. Becker

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